

WASHINGTON STATE DIRECT PROCESSOR COMPLIANCE AUDIT

Prepared for:

IMS Electronics Recycling

2401 Saint Francis Lane
Vancouver, WA 98660

Prepared by:

ESQ International LLC

Mary Reading & Sydney C. Randell *CHMM, MBA*
(Woman Owned Minority Small Business)

Date:

March 1, 2016

1.0 INTRODUCTION

ESQ International LLC (ESQI) was retained by IMS Recycling Inc. to perform a Washington Director Processor Compliance audit of their electronics recycling (E-cycling) operations located at 2401 Saint Francis Lane, Vancouver, WA 98660. The on-site facility compliance audit was conducted by ESQ International LLC's auditors, Sydney C. Randell and Mary Reading, accompanied by Kris DeWitt, Compliance Manager, and Bill Peterson, Plant Manager on March 1, 2016.

2.0 PURPOSE AND SCOPE

The purpose of the audit is to assess IMS Recycling Inc.'s facility operations to determine if it is complying with Washington State Director Processor's "**Environmentally Sound Management and Performance Standards for Direct Processors**" (Publication #: 07-07-046). The audit report is limited to observations and records reviewed from the on-site inspection performed on March 1, 2016 and may not capture all environmental and safety compliance issues that were either not evident or may occur in the future.

3.0 FACILITY INFORMATION

Facility Name: IMS Recycling Inc.
Facility Address: 2401 Saint Francis Lane, Vancouver, WA 98660
Facility Contact: Kris DeWitt, Compliance Manager
Facility Contact Email: KrisD@imselectronics.com
Facility Contact Phone No.: 360-750-8883
Facility Description: The facility is located within an industrial area. The facility occupies a building with approx. 50,400 square feet of lease space. The building is a pre-engineered metal building with a concrete floor.
Process Information: Facility collects, transports, and processes end-of-life electronic products - TVs, monitors, computers, laptops & e-readers known as CEP under the Washington Extended Producer Responsibility (EPR) program administered by WMMFA and Washington Dept. of Ecology.
Number of Employees: 28
Hours of Operation: 8:00am to 4:00pm (M-F)
Applicable Waste Permit (e.g. EPA ID #): RCRA Site ID # WAH000033032
Applicable Air Permit: NA
Applicable Stormwater Permit: No Exposure Certification from Dept. of Ecology

4.0 FACILITY SITE (AERIAL VIEW)



IMS Electronics Recycling Facility
2401 Saint Francis Lane
Vancouver, WA 98660

5.0 SUMMARY OF AUDIT RESULTS

Zero findings of non-compliance with **WAC 173-900-650, "Environmentally Sound Management and Performance Standards for Direct Processors"** were observed during the on-site facility inspection conducted on March 1, 2016. Please see attached *Washington Administrative Code 173-900-650 Facility Compliance Audit Checklist* for a more detail report.

6.0 AUDITOR QUALIFICATION

Mary Reading – is *Managing Partner/Owner* of ESQ International LLC, a federally registered Minority Women-Owned Small Business (MWOSB) environmental consulting company specialized in helping clients with e-waste business development, operational management, downstream vendor reviews, ISO 9001, ISO 14001 certification, R2:2013 certification, RIOS certifications, Environmental Health & Safety (EH&S) compliance assurance and Sustainability initiatives. Clients include CRT recyclers, metal recyclers, e-waste recyclers, electronic product refurbishers, governmental agencies, and non-profits. In 2006, Ms. Reading founded and was President of an electronics recycling business. She oversaw operations, finance, human resources, procurement, and marketing of the company. She grew the company from processing zero to almost 4 million pounds of e-waste in 4 years and generated positive cash flow after 9 months of operation. She negotiated and was approved as one of only 7 State of Washington certified e-waste collector, transporter, and processor.

Sydney Randell, CHMM, MBA - He has over 27 years of Environmental, Health & Safety (EHS) professional experience across manufacturing, hazardous waste operations, cancer research center, metal recycling, electronics recycling, and EHS compliance and systems consulting. He successfully helped E-Waste, LLC receive the R2 Certification in 2011. Mr. Randell has conducted over 400 EHS compliance, ISO 9001, ISO 14001, OHSAS 18001, R2, RIOS, and downstream vendor audits (e.g. CRT recycler, circuit board refining, and toner) and other business audits in the past 20 years. Mr. Randell previously served as VP Business Development & Director of EHS for E-Waste, LLC from 2006 to 2011. He developed and incorporated ISO 14001 and OHSAS 18001 systems into E-Waste's R2 program. Mr. Randell has a BA in Chemistry and MBA with emphasis in Marketing and Finance. He is a certified ISO 14001 Lead Auditor, certified ISO 9001 Lead Auditor and certified Greenhouse Gas Inventory Quantifier (GHG-IQ).

Washington Administrative Code 173-900-650
Facility Compliance Audit Checklist

Facility Name: IMS Recycling Electronic Recycling Inc.
Facility Address: 2401 Saint Francis Lane, Vancouver, WA 98660
Facility Contact: Kris Dewitt
Facility Contact Email: KrisD@imselectronics.com
Facility Contact Phone No.: 360-750-8883
Facility Contact Fax No.: 360-750-8537
Facility Size (in square feet): 50,400
Number of Employees: 28
Applicable Waste Permit: RCRA Site ID # WAH000033032
Applicable Air Permit: NA. No air emissions.
Applicable Stormwater Permit: stormwater No Exposure Certification
Brief Description of Process(es): Facility collects, transports, and processes end-of-life electronic products - TVs, monitors, computers, laptops & e-readers known as CEP under the Washington Extended Producer Responsibility (EPR) program administered by WMMFA and Washington Dept. of Ecology

Minimum Performance Standards for Direct Processors – WAC 173-900-650

No.	Section	Standard ^a	Yes	No	NA	Supporting Documentation/ Notes/Comments
1.	Responsible Management Priorities	A direct processor must periodically evaluate its management strategies to assure it takes advantage of new more effective technologies and is otherwise continuously improving its practices and processes.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2.	Legal Requirements	(a) A direct processor must comply with all federal, state, and local requirements and, if it exports, those of all transit and recipient countries that are applicable to the operations and transactions in which it engages related to the processing of CEPs, components, parts, and materials and disposal of residuals. These include but are not limited to applicable legal requirements relating to:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(i) Waste and recyclables processing, storage, handling, and shipping; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(ii) Air emissions and waste water discharge, including storm water discharges; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No air emissions. Facility has a stormwater No Exposure Certification from Dept. of Ecology.
		(iii) Worker health and safety; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(iv) Transboundary movement of electronic equipment, components, materials, waste, or scrap for reuse, recycling, or disposal.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(b) Upon request by a covered entity, a direct processor must make available information to that covered entity about any financial penalties, regulatory orders, or violations the direct processor received in the previous 3 years. If the direct processor receives subsequent penalties or regulatory orders, the direct processor must make that information available within 60 days after any subsequent penalties or regulatory orders are issued.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No NOV's in the past 3 years.
3.	Environmental, Health, and Safety Management Systems (EHSMS)	(a) A direct processor must develop, document, fully implement, and update at least annually a written EHSMS that includes all of the following:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ISO 14001 and OHSAS 18001 certified.
		(i) Written goals and procedures that require the direct processor to manage its environmental, health, and safety matters systematically.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(ii) Utilization of a "plan, do, check, act" model that identifies environmental aspects, implements operational controls, and provides corrective action procedures. Elements of this model must include: (A) Plan (I) Identification of environmental impacts, and legal and regulatory requirements;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F02 Environmental Aspect - Impact
		(II) Establishment of environmental goals, objectives and targets;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F3 Objective-Targets
		(III) Plan actions that work toward achieving identified goals;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F3 Objective-Targets
		(IV) Plan for emergency preparedness and response; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F14 Emergency Preparedness and Response.
		(V) Commitment of management support.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.	EHSMS (continued)	(B) Do (I) Establish roles and responsibilities for the EHSMS and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F13 Training, Awareness and Competence.

No.	Section	Standard ^a	Yes	No	NA	Supporting Documentation/ Notes/Comments
		provide adequate resources;				
		(II) Assure that staff are trained and capable of carrying out responsibilities; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F13 Training, Awareness and Competence.
		(III) Establish a process for communicating about the EHSMS within the business.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F7 Communication
		(C) Check				
		(I) Monitor key activities and track performance;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(II) Identify and correct problems and prevent recurrence; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(III) Provide a measurement system that quantifies the application of the model.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(D) Act	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(I) Conduct annual progress reviews;				
		(II) Act to make necessary changes to the EHSMS; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F12 Management Review
		(III) Create and implement an action plan for continual improvement.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(iii) A worker safety and health management plan that conforms to a consensus-based standard covering worker health and safety such as ANSI Z10 or to a similarly rigorous in-house standard.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(iv) A plan for responding to and reporting exceptional releases that could pose a risk to worker safety, public health, or the environment. Such releases include emergencies such as accidents, spills, fires, and explosions. The direct processor must submit this plan to all appropriate emergency responders, e.g., police, fire, hospitals.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F14 Emergency Preparedness and Response.
		(v) A plan is conformable with ISO 14001, Institute of Scrap Recycling Industries' Recycling Industry Operating Standards ("RIOS"), the International Association of Electronic Recyclers' ("IAERs") standard, or other standards designed at a level appropriate for processing at the facility.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Facility is ISO 14001 certified.
		(b) A direct processor must ensure all employees understand and follow the portions of the EHSMS relevant to the activities they perform.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4	Recordkeeping	(c) The EHSMS must also include a procedure for:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(i) Identifying and evaluating the environmental, health, and safety impacts of downstream vendors, and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F15 Downstream Partner
		(ii) Utilizing the information in (a) in the selection of downstream vendors.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F15 Downstream Partner
	Preferred Performance Standards	(c) The direct processor must also maintain records for any brokering transactions for at least 3 years.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F8 Document-Record Control

^a Each performance category has two status levels: A) Minimum performance standards (required in WAC 173-900-650) B) Preferred performance standards
Direct processors must meet all of the performance standards in both status levels and meet the other requirements in this document in order to receive "preferred status".

No.	Section	Standard ^a	Yes	No	NA	Supporting Documentation/ Notes/Comments
5.	On-site Requirements	(a) General				
		(i) Direct processors must take all practicable steps to maximize recycling.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(ii) A direct processor must have the expertise and technical capability to process each type of CEP and component it accepts in a manner protective of worker safety, public health, and the environment.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(iii) A direct processor must use materials handling, storage and management practices, that assure that all work and storage areas are kept clean and orderly.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Facility was clean and orderly.
		(iv) Speculative accumulation:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		(A) "Speculative accumulation" means holding, storing or accumulating CEPs, components, parts, materials, or residual derived there from for more than 180 days.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No "speculative accumulation". CEPs are processed within 180 days.
		(B) Generators and facilities holding, storing, or accumulating CEPs, components, parts, materials, or residual derived there from for more than 180 days will be considered holding, storing, accumulating solid or hazardous waste and subject to applicable treatment, storage or disposal regulations or equivalent.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Facility does not store or accumulate CEPs, components, parts, materials, or residual more than 180 days.
		(v) A direct processor must use a certified scale to weigh CEPs and components counted toward a plan's equivalent share.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Floor scale was calibrated.
		(b) Storage A direct processor must store materials of concern removed from CEPs, components, parts, materials, or residuals in accordance with WAC 173-900-650(11) in a manner that:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(i) Protects them from adverse atmospheric conditions and floods and, as warranted, includes a catchment system;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(ii) Is secure from unauthorized entrance; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(iii) Is in clearly labeled containers and/or storage areas.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(c) Exceptional releases posing risks A direct processor must be prepared to implement immediately the practices set forth in its EHSMS for responding to and reporting exceptional releases that could pose a risk to worker safety, public health, or the environment, including emergencies such as accidents, spills, fires, and explosions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F14 Emergency Preparedness & Response.
	Preferred Performance Standards	(d) Workforce and Environmental Protection (i) Hazards identification and assessment: A direct processor must conduct on an ongoing basis (as new types of CEPs, components, parts and materials are processed or new processes are utilized) a hazards identification and assessment of occupational and environmental risks that exist or could reasonably be expected to develop at the facility. Such risks could result from any sources, including but not limited to: <ul style="list-style-type: none"> Emissions of and/or exposure to substances Noise Ergonomic factors Thermal stress Substandard machine guarding Cuts and abrasions 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F4 Hazard Assessment SOP-F17 Hazard Communication SOP-F18 Medical Monitoring SOP-F23 Hearing Program

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No.	Section	Standard ^a	Yes	No	NA	Supporting Documentation/ Notes/Comments
5.	On-site Requirements (continued)	(ii) The hazards identification and assessment is captured in writing and incorporated as a component of the direct processor's EHSMS.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F4 Hazard Assessment
	Preferred Performance Standards (continued)	(iii) A direct processor must manage the hazards and minimize the releases it identifies using an appropriate combination of strategies in the following order of priority: A) engineering controls, B) administrative and work practice controls, and C) personal protection equipment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(A) Engineering controls: (I) A direct processor must use at least one of the following: <input type="checkbox"/> Substitution (e.g., replacing a toxic solvent with one less toxic), <input type="checkbox"/> Isolation (e.g., automating a process to avoid employee exposure), or <input type="checkbox"/> Ventilation and, if appropriate, capture (e.g., fume hood) and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(II) All of the following: <input type="checkbox"/> Dust control, capture, and clean up, and <input type="checkbox"/> Emergency shut-off systems, and <input type="checkbox"/> Fire suppression systems.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(B) Administrative and work practice controls: A direct processor must use administrative and work practice controls including appropriate combinations of:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(I) Regular, documented health and safety training that covers information from the hazardous assessment, safe management handling, spill prevention, engineering controls, equipment safety, and use and care of personal protection equipment; with training for new hires and refresher courses for all employees that is understandable to them given language and level-of-education considerations,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Safety posters in English and Spanish.
		(II) Job rotation, as feasible, given workforce size,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(III) Safe work practices,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(IV) Medical monitoring,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F18 Medical Monitoring
		(V) Safety meetings.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(C) Personal protective equipment: Includes respirators, protective eyewear, cut-resistant gloves, etc. as appropriate for the risks involved in the tasks being performed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Requires safety glasses and gloves. Hard hats required in shedding area.
		(iv) A direct processor must use and document monitoring and sampling protocols according to state and federal standards and provide assurances that the practices it employs are effective and continuously managing the risks it has identified. This includes complying with all applicable Federal or State (OSHA) standards and sampling and/or monitoring protocols.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Conducted air monitoring in 2014.
		(v) A direct processor must treat anyone performing activities in its facilities, using the standard of care established in this section. Direct processors are not required to provide medical monitoring for short-term, temporary and volunteer workers.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F18 Medical Monitoring

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No.	Section	Standard ^a	Yes	No	NA	Supporting Documentation/ Notes/Comments
		(vi) A direct processor must designate a qualified employee or consultant to coordinate its efforts to promote worker health and safety. This individual is identified to all employees and two-way communication is encouraged between employees and this individual regarding potential hazards and how best to address them.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Kris Dewitt

6.	Materials of Concern	Materials of concern must be handled according to the standards in this section. "Materials of concern" are any of the following:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(a) Any devices, including fluorescent tubes, containing mercury or PCBs;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	US lamp recycler. Retort.
		(b) Batteries;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	US battery recycler. Smelting.
		(c) CRTs and leaded glass; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	US/Mexico CRT recycler. Glass to glass recycling.
		(d) Whole circuit boards.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	US/Japanese precious metal refiner.
7.	Recycling	(a) Recycling				
		(i) A direct processor must remove from CEPs and components destined for recycling any parts that contain materials of concern that would pose a risk to worker safety, public health, or the environment during subsequent processing.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(ii) A direct processor must remove any parts that contain materials of concern prior to mechanical or thermal processing and handle them in a manner consistent with the regulatory requirements that apply to the items, or any substances contained therein. Circuit boards and materials derived there from will be allowed to be shredded prior to separating.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Preferred Performance Standards	(b) Recycling: (i) A direct processor must dismantle, separate, and/or mechanically process, as appropriate, CEPs, components, and parts from which materials are to be recovered for recycling into separate "material streams" to generate value, recover materials and minimize waste, and to enable safe management through to final disposition.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Observed CEPs being dismantled and collected into separate "material streams" to generate value, minimize waste, and ensure compliance with EHS regulations.
8.	Reuse	(a) Reuse				
		(i) "Reuse" means any operation by which an electronic product or component of a covered electronic product changes ownership and is used, as is, for the same purpose for which it was originally purchased.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Facility does not reuse any CEPs collected under the Washington WMMFA program.
		(ii) For a CEP, component or part to be put to reuse it must be fully functioning.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		(iii) CEPs, components and parts gleaned for reuse shall not be included in the weight totals submitted to a plan for compensation.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Preferred Performance Standards	(b) Reuse: (i) Before shipping CEPs, components, or parts for reuse, the direct processor must:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		(A) Test and ensure that the CEPs, components, and parts are functioning properly for the same purpose for which they were originally purchased.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		(B) Accurately label, package, and ship the CEPs, components, and parts in a manner that will minimize	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

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Direct processors must meet all of the performance standards in both status levels and meet the other requirements in this document in order to receive "preferred status".

		damage during transport.				
		(ii) A direct processor must verify a legitimate end-use market for the intended purpose of any CEPs, components or parts shipped for reuse.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9.	Disposal of Residuals	(a) Disposal of residuals (i) "Residuals" are leftover materials from processing CEPs, components, parts and materials. Residuals are materials that cannot be used for their original function or cannot be recycled and are sent by a processor to a disposal facility.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(ii) Residuals must be properly designated and managed under applicable solid waste and hazardous waste laws at the location where disposal occurs.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Residual wastes from processing that are designated as dangerous waste are sent to US Ecology for proper disposal.
		(iii) A direct processor must not send residuals containing materials of concern to incinerators or solid waste landfills if doing so will pose a higher risk to worker safety, public health, or the environment than alternative management strategies.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(iv) Residuals from processing of materials of concern must not be mixed with other residuals for the purpose of disposal.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Residual wastes are separated.
	Preferred Performance Standards	(b) Residuals must be disposed of in a regulated solid waste disposal facility. Residuals containing materials of concern must be disposed in a regulated hazardous waste disposal facility.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Residual wastes from processing that are designated as dangerous waste are sent to US Ecology for proper disposal.
10.	Refurbishment	No minimum performance standards from WAC 173-900-650.				
	Preferred Performance Standards	(a) Refurbishment: (i) A direct processor must adhere to all the performance standards in this document for all on-site activities relating to CEPs, components, and parts destined for refurbishment.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Facility does not refurbish any CEPs collected under the Washington WMMFA program.
		(A) A direct processor must conform to all performance standards in this document for its onsite and downstream vendors' refurbishment operations, and when shipping CEPs, components, or parts to downstream vendors for refurbishment.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		(ii) CEPs, components and parts gleaned for refurbishment shall not be included in the weight totals submitted to a plan for compensation.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		(iii) A direct processor must verify a legitimate end-use market for the intended purpose of any CEPs, components or parts shipped for refurbishment.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11.	Transport	(a) A direct processor must ensure that all CEPs, CEP components and materials to be transported are packaged in compliance with all applicable transport laws and rules.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Preferred Performance Standards	(b) A direct processor must ensure all CEPs, components, parts, materials, and residuals to be transported are packaged appropriately in light of the risk they could pose during transportation to public health or the environment and the level of care warranted by their intended use.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(c) A direct processor must obtain written documentation or a third-party certification indicating that their transporters have all the necessary regulatory authorizations and no significant violations of relevant legal requirements during the past 3 years.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F24 Transporters
12.	Prison Labor	Direct processors may not use federal or state prison labor for processing.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Facility does not use any prison labor.

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Direct processors must meet all of the performance standards in both status levels and meet the other requirements in this document in order to receive "preferred status".

13.	Facility Access	(a) Direct processors must allow access to the facility and the documentation required in this section for the purposes of assessing compliance with the requirements in this chapter and for sampling to:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(i) Ecology and ecology's designee(s);	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(ii) Third-party observers for the purposes of sampling;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(iii) For processors used by the standard plan:				
		(A) The authority;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(B) The authority's designee(s);	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
14.	Notification of Penalties and Violations	(iv) For processors used by an independent plan:				
		(A) That plan's authorized party;	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		(B) The authorized party's designee(s) for that plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		Each direct processor must notify ecology within 30 days if the direct processor receives any penalties, violations or regulatory orders related to processing activities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No NOV's to report.
		Preferred Performance Standards				
		No additional performance standards.				
15.	Due Diligence Downstream	No minimum performance standards in WAC 173-900-650.				
		Preferred Performance Standards				
		(a) For materials of concern and residuals containing materials of concern a direct processor must only use downstream vendors who conform with all of the performance standards in this document.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(i) A direct processor must review its downstream vendors' conformity to these standards at least every two years and more frequently as changes in circumstances warrant. The direct processor must provide the verification and documentation to Ecology upon request.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(ii) A direct processor must document the chain of custody of all materials of concern and their residuals through final disposition.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-11 Material Flow
		(iii) A direct processor does not need to conduct the due diligence for downstream vendors certified to the performance standards in this document by an accredited body.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16.	Exporting	No minimum performance standards in WAC 173-900-650.				
		Preferred Performance Standards				
		(a) A direct processor that exports materials of concern must ensure that each transit and recipient country legally accepts such imports. For each country that is not a member of the Organization for Economic Co-operation and Development (OECD), this entails either:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Facility has EPA AOC Bare CRT's to Mexico.
		(i) Requesting and receiving documentation, prior to shipping, from the Competent Authority of each such transit and/or import country, that clearly verifies in English that the country legally accepts such imports, or	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Acknowledgment of Consent (AOC) for EPA Notice ID 012053/5E/15 for bare CRTs. The AOC letter is valid from July 1, 2015 to June 30, 2016
		(ii) Requesting and receiving, prior to shipping, confirmation—that the country(ies) legally accepts such imports—from the U.S. EPA, which in turn will communicate with the other country's Competent Authority to get a determination.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See above.
17.	Insurance	No minimum performance standards in WAC 173-900-650.				
		Preferred Performance Standards				
		(a) A direct processor possesses adequate Comprehensive or Commercial General Liability Insurance including coverage for:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	GL Insurance \$1,000,000, \$2,000,0000 aggregate.
		(i) Bodily injury,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See above
		(ii) Property damage,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See above
		(iii) Pollutant releases,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$10,000,0000

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Direct processors must meet all of the performance standards in both status levels and meet the other requirements in this document in order to receive "preferred status".

		(iv) Accidents and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(v) Other emergencies.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18.	Closure Plan and Financial Responsibility	No minimum performance standards in WAC 173-900-650.				
	Preferred Performance Standards	A direct processor must develop and keep current a closure plan and a sufficient financial instrument that assures proper closure of the facility and assures against abandonment of any CEPs, components, parts, materials or residuals.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Facility has current closure plan and adequate insurance.
19	Facility Security	No minimum performance standards in WAC 173-900-650.				
	Preferred Performance Standards	A direct processor must have a functioning security program that controls access to all or parts of the processing facility in a manner and to a degree appropriate given the type of CEPs, components, parts, materials, and residuals handled and the needs of the customers served and may include such items such as indoor and outdoor lighting, secured facilities, and perimeter fencing.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOP-F9 Facility Policy The facility is secured with photo ID required to obtain visitor badge for facility tour. Also has video monitoring system.

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Table-1 – Downstream Handling of Materials of Concern (MOC) from IMS, Vancouver, WA

Materials of Concern	Recycling Process	Fate of Materials Recycled	Downstream Recycler(s)
Leaded CRT Glass	CRT Devices are dismantled and the glass is separated from the wires, plastic, metals and circuit boards. Bare CRT Tubes are boxed and shipped for further processing.	Separates the tubes and cleans the glass as an end of life process.	Mexico USA
Circuit Boards (Whole)	High grade Circuit Boards are marketed whole. Low grade circuit boards are shredded on site. Some metals recovery done on site. Shredder has a sort for ferrous metals, non-ferrous metals and plastics.	Shredded circuit boards are shipped to a primary copper smelter which recovers copper, gold, silver and palladium as well as other minor elements. The metals are sold as commodities on the world market.	USA

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Table-1 – Downstream Handling of Materials of Concern (MOC), Continued.

Materials of Concern	Recycling Process	Fate of Materials Recycled	Downstream Recycler(s)
Batteries	Batteries are manually removed from electronic devices. The batteries are sorted by type (Alkaline, Lithium, etc). Ends of batteries are taped up and shipped out.	The batteries are processed for base commodity recovery.	USA
Mercury Devices	Mercury lamps are manually pulled from flat panels. They are immediately packaged into lined recycling boxes that are on the recycling benches. Once box is full, it is sealed up and shipped out.	The powder mercury content is sent for mercury retort.	USA
PCBs	No PCBs are intentionally handled on site	Not applicable	Not applicable

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**CONTRACT FOR DIRECT PROCESSING SERVICES 2016
BETWEEN THE
WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY
AND**

This Contract for Processing Services ("Contract") is made and entered into by and between the Washington Materials Management and Financing Authority, hereinafter referred to as the "AUTHORITY," and the below-named firm, hereinafter referred to as "CONTRACTOR."

CONTRACTOR Name: IMS Electronics Recycling, Inc.
Address: 2401 Saint Francis Lane

City, State & Zip Code: Vancouver, WA 98660
Phone: 360-750-8883
E-mail Address: BillP@imselectronics.com
Washington State UBI No.: 602-712-800
Federal ID No.: 20-8296339

SECTION 1: SERVICES

1.1 Scope of Work. CONTRACTOR agrees to provide services and staff, and otherwise do all things necessary for or incidental to processing covered electronic products (or "CEPs") provided by the AUTHORITY or an authorized representative. This Contract is not a guarantee of Work or any level of Work during the term hereof. The AUTHORITY reserves the right to procure services from any qualified CONTRACTOR on the basis of the price, quality and convenience of services provided. The scope of this Agreement shall be interpreted to be consistent with applicable law, now and during the term of this CONTRACT.

1.2 Definitions.

1.2.1 Collector. The term "collector" means an entity that is licensed to do business in Washington state and that gathers unwanted covered electronic products from households, small businesses, school districts, small governments, and charities for the purpose of recycling and meets the registration and collector performance standard requirements set forth in WAC 173-900.

1.2.2 Covered Electronic Products. The term "covered electronic products" includes any one of the following four types of products that has been used in Washington state by any covered entity, regardless of original point of purchase: (a) any monitor having a viewable area greater than four inches when measured diagonally; (b) a desktop computer; (c) a laptop or portable computer; or (d) any video display device having a viewable area greater than four inches when measured diagonally including a portable DVD player, e-reader or tablet device.

The term "covered electronic products" does not include: (a) a motor vehicle or replacement parts for use in motor vehicles or aircraft, or any computer, computer monitor, or television that is contained within, and is not separate from, the motor vehicle or aircraft; (b) monitoring and control instruments or systems; (c) medical devices; (d) products including materials intended for use as ingredients in those products as defined in the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.) or the Virus-Serum-Toxin Act of 1913 (21 U.S.C. Sec. 151 et seq.), and regulations issued under those acts; (e) equipment used in the delivery of patient care in a health care setting; (f) a computer, computer monitor, or television that is contained within a clothes washer, clothes dryer, refrigerator, refrigerator and freezer, microwave

Contract for Direct Processing Services, Page 1 of 21

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oven, conventional oven or range, dishwasher, room air conditioner, dehumidifier, or air purifier; automatic teller machines, vending machines or similar business transaction machines; or (g) hand-held portable voice or data devices used for commercial mobile services as defined in 47 U.S.C. Sec. 332 (d)(1).

1.2.3 Covered Entity. The term "covered entity" means any household, charity, school district, small business, or small government located in Washington state.

1.2.4 Direct Processor. The term "direct processor" means a processor contracted with a CEP recycling plan to provide processing services for the plan.

1.2.5 Processing Facility. The term "processing facility" means a facility where the processing of CEPs for a plan is conducted by a direct processor.

1.2.6 Processor. The term "processor" means an entity: (a) engaged in disassembling, dismantling, or shredding electronic products to recover materials contained in the electronic products and preparing those materials for reclaiming or reuse in new products in accordance with processing standards established by this chapter; and (b) that may salvage CEPs, components, and parts to be used in new products.

1.2.7 Processing. The term "processing" means disassembling, dismantling, or shredding electronic products to recover materials contained in the CEPs received from registered collectors or transporters and preparing those materials for reclaiming or reuse in accordance with the performance standards for direct processors set forth in this Contract.

1.2.8 Transporter. The term "transporter" means an entity that transports covered electronic products from collection sites or services to processors or other locations for the purpose of recycling, but does not include any entity or person that hauls their own unwanted electronic products.

SECTION 2: PERIOD OF PERFORMANCE

The period of performance under this Contract will be from January 1, 2016, through December 31, 2016. The AUTHORITY shall have the option of renewing the Contract for additional annual periods.

SECTION 3: RECEIPT OR DELIVERY OF COVERED ELECTRONIC PRODUCTS

3.1 Delivery. The AUTHORITY shall deliver covered electronic products to CONTRACTOR at those times and places, in those quantities, and in the manner agreed to by AUTHORITY and CONTRACTOR. CONTRACTOR's receipt of covered electronic products at its processing facilities and CONTRACTOR's taking of possession and control of covered electronic products at the point of delivery shall constitute acceptance of covered electronic products for the purpose of processing.

3.2 Examination of Materials. The AUTHORITY shall permit CONTRACTOR reasonable access to delivered covered electronic products for purposes of examining and sampling prior to accepting the covered electronic products. CONTRACTOR shall accept conforming covered electronic products which have been tendered and delivered in conformance with this Contract.

3.3 Documents. For each delivery of covered electronic products to the CONTRACTOR, the AUTHORITY or its authorized representative shall provide CONTRACTOR those completed documents, shipping papers or manifests as are required for lawful transfer of the covered electronic products to CONTRACTOR at the point of delivery. Such documents shall meet applicable federal, state or local rules and regulations, including, but not limited to, the Electronic Products Recycling Act, RCW 70.95N, et seq., Hazardous Materials Transportation Act, 49 U.S.C. §§1801, et seq., as amended, the Toxic Substances Control Act, 15U.S.C. §§ 2601 et seq., as amended, and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901 et seq., as amended.

Contract for Direct Processing Services, Page 2 of 21

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8.1 Termination. The AUTHORITY may, in its sole discretion, terminate the Contract, without incurring any termination charges or penalties to the AUTHORITY, by giving CONTRACTOR thirty (30) days' written notice of cancellation. The notice of termination shall specify the date when this Contract or services terminates. The AUTHORITY shall have no responsibility to CONTRACTOR for any services performed by CONTRACTOR after the effective termination date.

8.2 Termination for Breach. Either party may terminate this Contract or any services under this Contract upon five (5) days prior written notice if the other party (i) has breached any material provision of this Contract, including non-payment and/or improper partial payment of invoices; or (ii) has violated applicable federal, state, or local laws, ordinances, or regulations. The notice of termination shall specify the date when this Contract terminates and the reason for termination.

SECTION 9: CONTRACT MANAGEMENT

The Contract Manager designated below for each party shall be the contact person for all communications and billings regarding the performance of this Contract.

CONTRACTOR Contract Manager	AUTHORITY Contract Manager
Bill Peterson, General Manager IMS Electronics Recycling, Inc. 2401 Saint Francis Lane Vancouver, WA 98660 Phone: 360-750-8883 Fax: 360-7508537 Cell: 360-921-6836 E-mail: BillP@imselectronics.com	John Friedrich, Executive Director Washington Materials Management and Financing Authority 116 N. Oakes Ave. Ste B Cle Elum, WA 98992 Phone (509) 674-5871 Fax: (509)-674-5350 Cell: (360) 442-1106 E-mail: info@wmmfa.net or jfriedrick@wmmfa.net

SECTION 10: NOTICE

Except where otherwise expressly authorized, notice shall be by fax, by first class certified or registered mail, or by commercial delivery service issuing a receipt for delivery and addressed as set forth above, unless changed in writing by the party to whom the notice is being sent. Notice shall be effective upon delivery.

SECTION 11: INDEMNIFICATION

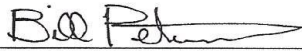
To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend, and hold harmless the AUTHORITY, the State, agencies of State and all officials, agents and employees of State from all liability of any nature or kind, including costs, expenses, and attorney's fees, for all actions or claims, losses, personal injuries or property damages sustained by any person or property, resulting from or arising out of, directly or indirectly, any error, omission, or negligent or wrongful acts of CONTRACTOR, or any SUBCONTRACTOR, employee, agent, or representative of CONTRACTOR or anyone directly or indirectly employed by them, in the performance of this Contract.

CONTRACTOR expressly agrees to indemnify, defend, and hold harmless the AUTHORITY and State for any claim, expense, fee or penalty arising out of or incident to CONTRACTOR's or any subcontractor's performance or failure to perform the Contract. CONTRACTOR's obligation to indemnify, defend, and hold harmless the State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials.

CONTRACTOR waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

THIS CONTRACT is executed by the persons signing below, who warrant they have the authority to execute the Contract.

CONTRACTOR




Signature
General Manager

Title
12/24/15

Date

Washington Materials Management and Financing
Authority



Signature
EXECUTIVE DIRECTOR

Title
12/31/15

Date